

## PRESS RELEASE

### Solid growth in air and hotel demand to continue in 2015

#### Advito publishes updated 2015 Industry Forecast

**CHICAGO, March 24, 2015** – Lower oil prices are providing a boost to economic activity and should encourage some airlines to grow capacity and keep fares in check, according to travel consultancy Advito's update to their annual Industry Forecast. Some airlines in Asia have responded by eliminating fuel surcharges or lowering their fees.

Meanwhile, economic recovery has given hotels the confidence to push for strong rate increases in North and South America. They're also becoming smarter at yield management, more quickly closing out discounted rates, thus pushing up average prices. Rates shouldn't rise as sharply in Europe as demand is still weak, and supplier capacity growth will make it difficult for hotels to raise rates in the Middle East.

Advito monitors changes in economic growth, inflation, travel demand and oil prices. Each quarter, it revises its annual Industry Forecast to reflect changes to the original air and hotel pricing predictions for the year.

The update and the original Advito 2015 Industry Forecast are available at [www.advito.com](http://www.advito.com) (in the Insights section under "Industry Forecast"). Following are a few of the update's key findings:

- The outlook for the world economy is slowly improving, as the rates of economic growth delivered by the advanced economies and emerging markets converge. Global economic growth will pick up from 2.6% to 2.9% in 2015, although this is slightly lower than Oxford Economics' earlier forecast of 3.0%.
- Lower oil prices make it difficult for airlines to raise fares, but give them the scope to drop prices, particularly in markets with competition. They'll also encourage airlines to slowly add in new capacity, providing further relief to average fares, especially for economy-class travel.
- Rapid low-cost carrier (LCC) growth continues to drive fares down in Asia and the Middle East.
- Advito made some changes to the average daily rate (ADR) forecasts for individual countries, but updated just one regional forecast. A weakening of the economic outlook across Asia will affect demand growth, thus prompting Advito to lower the rate forecasts for China, India, Singapore, South Korea and Indonesia. The regional forecast is now down to 1-3% from 2-4%.

**About Advito**

Advito is the travel industry's most progressive consultancy, enabling procurement leaders to modernize their approach to managing the travel and meetings spend category. Led by a unique team of multi-disciplinary experts and thought leaders, we work with both clients and suppliers to push the boundaries of traditional air and hotel sourcing and strategic meetings management for higher program returns. We provide advisory, procurement and outsourcing services in the area of corporate travel sourcing, expense and meetings management, along with RFP development and management; benchmarking and vendor management services. We minimize our clients' travel spend and maximize their travel program value in a data-rich, consumer empowered world. Headquartered in Chicago, Advito operates in key business markets around the world. For more information, visit [www.advito.com](http://www.advito.com).